Zylox-Tonbridge Medical Technology Co., Ltd.
歸創通橋醫療科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2190)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2023, together with the audited comparative figures for the year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

	Year ended December 31, 2023 *RMB'000*	Year ended December 31, 2022 *RMB'000*	Year to year change
Revenue	**527,754**	334,090	58.0%
Gross profit	**384,988**	252,669	52.4%
Gross profit margin	**72.9%**	75.6%	(3.5)%
Loss for the year	**(78,734)**	(113,555)	(30.7)%
Add:			
Share-based compensation	**85,767**	87,678	(2.2)%
Non-IFRS adjusted net profit/(loss) for the year[(1)]	**7,033**	(25,877)	(127.2)%

(1) The Company presents adjusted net profit/loss for the year by taking out share-based compensation expenses from loss for the year. Such adjusted net profit/loss for the year is not a measure under IFRS. Please refer to section headed "Non-IFRS Measures" in this announcement for more details.

BUSINESS HIGHLIGHTS

In 2023, we continued our dedication to enhancing the accessibility of medical care, innovating for quality life, and steadily advancing our core capabilities in product research and development, production and commercialization.

During the Reporting Period, we achieved a revenue of RMB527.8 million, with RMB 526.5 million from sales of interventional products, representing an increase of 57.6% as compared to 2022. 72.5% of our interventional products revenue was derived from the neurovascular interventional products business and 27.5% was derived from the peripheral-vascular interventional products business. The significant growth of our revenue was primarily fueled by the high sales growth of both neurovascular and peripheral-vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2023 increased by 63.6% as compared to 2022, primarily because of (i) continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, White Horse Intracranial PTA Balloon Catheter (Rx) and Thrombite Clot Retriever Device (Thrombite CRD). This growth is attributed to (i) increasing recognition of product quality and clinical performance by physicians; (ii) our effort to increase product marketing penetration; and (iii) increased revenue from the Phoenix Neurovascular Embolization Coil due to expanded hospital access and accelerated market penetration through diverse regional VBPs programs across various provinces in the country.

The revenue from sales of peripheral-vascular interventional products in 2023 increased by 43.7% as compared to 2022 because of the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZENFLOW PTA Balloon Catheter and ZENFLOW High Pressure PTA Balloon Catheter. This growth is the result of (i) our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous enrichment of our peripheral venous disease treatment product portfolio, highlighted by the commercial launch of ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter and ZYLOX Octoplus Retrievable Inferior Vena Cava Filter in 2022, which generated additional revenue in 2023.

In line with our strategic objectives, we focused on improving operational efficiency while increasing revenue organically. In 2023, we were able to generate a non-IFRS adjusted net profit of RMB7.0 million, representing the loss for the year adjusted by taking out share-based compensation expenses.

While we continue to increase our revenue, we are committed to improving operational efficiency and optimizing resource allocation:

- We further increased our sales and marketing efficiency, which was evidenced by continued decrease in selling and distribution expenses as a percentage of total revenue from 41.9% in 2022 to 31.0% in 2023. This achievement was mainly attributed to (i) ongoing enhancements and fortification of the sales and marketing team and sales network; (ii) the increasing clinical recognition of product quality, which led to higher market promotion efficiency; and (iii) a more comprehensive product portfolio, which enhanced the efficiency of sales efforts.

- Research and development expenses as a percentage of total revenue decreased from 69.9% in 2022 to 49.5% in 2023 as we continued to maintain an efficient research and development system while the amount of research and development expenses increased from RMB233.5 million in 2022 to RMB261.0 million in 2023 as we continue to advance various key R&D projects, such as Self-expandable Intracranial Stent and Intracranial Stent. While we strive to invest in innovation and expand our product offerings, we regularly evaluate our product pipeline and optimize our R&D process to maintain high R&D investment efficiency.

- Our administrative expenses remained relatively stable between 2022 and 2023, despite that our overall scale of operation and sales have increased tremendously. As a result, our administrative expenses as a percentage of total revenue decreased from 32.7% in 2022 to 21.6% in 2023. The increased efficiency was primarily attributed to our efforts to streamline operation protocols and the enhancement of IT systems.

1. We continuously enrich the product portfolio and introduce innovative product offerings to the Chinese market.

Throughout 2023 and the first quarter of 2024, we have diligently expanded our product lineup, introducing several innovative products that reinforce our leading position in the market. For the peripheral-vascular interventional product portfolio, we were proud to unveil the ZYLOX Penguin Peripheral Venous Stent System. This innovative product, developed collaboratively with renowned experts in China, features three key elements: oblique entrance, tapered gradient, and integrated structure. These design enhancements are meticulously crafted to minimize the risk of thrombosis while ensuring optimal alignment with the natural variations in blood vessel dimensions. It also provides excellent wall adherence and gradual expansion, with a proximal closed-loop structure for strong support and a distal open-loop structure for excellent alignment.

In addition to our in-house research and development, we also expand our innovative product offerings by external strategic collaboration. In March 2024, we entered into a series of licensing and investment agreements with Avinger Inc., a U.S.-based innovative medical device company. Through this partnership, we are poised to introduce OCT imaging-guided peripheral-vascular artery atherectomy devices and peripheral-vascular chronic total occlusion-crossing devices to the Chinese market. These additions to our portfolio will significantly bolster our peripheral-vascular interventional device offerings, providing patients with more comprehensive treatment and solution options. The Company believes this collaboration is another key step for building our leading position in the peripheral arterial disease (PAD) interventional device market.

2. Our robust R&D capabilities enable us to proactively enhance our product offerings to meet evolving clinical needs.

Leveraging our strong R&D expertise and integrated technology platforms, we have maintained momentum in advancing our product development with great efficiency. We have been working on upgrading our existing product offerings to cater to the varying needs of the physicians. During the Reporting Period, we launched the second generation for several of our existing products, including Clot Retriever Device II (Second Generation Clot Retriever Device), UberVana Drug-coated PTA (Second Generation DCB), Second Generation PTA Balloon Catheter and Second Generation High Pressure PTA Balloon Catheter. We believe the continuous upgrading of our products fits our strategy well to provide more comprehensive options to physicians and patients for treatments. It also allows us to continuously optimize our product offerings and reduce cost to maintain a reasonably stable gross profit margin in the ever-evolving market environment.

As at the date of this announcement, we have a total of 39 products commercially launched in China, making us a prominent leader in the Chinese medical device industry with the most comprehensive product portfolios in both the neurovascular and peripheral-vascular interventional sectors.

3. We continued to improve our sales and marketing efficiency by leveraging a differentiated and comprehensive product portfolio and acting strategically in the Volume-based Procurements (VBPs) in the domestic market.

Leveraging our increasingly refined and differentiated product portfolio, we are better positioned to enhance product recognition among clinical professionals and strengthen our competitive advantages in commercial channels. For example, in the peripheral venous disease treatment product segment, we launched a total of five products in the last 24 months. We commercially launched the Retrievable Vena Cava Filter for deep vein thrombosis prevention in December 2022, then the Endovenous Radiofrequency Ablation (RFA) Catheter and system for the treatment of venous insufficiency in 2023, and we launched the Peripheral Venous Stent System for the treatment of iliac compression syndrome in January 2024. Currently, we have the most comprehensive product offering for interventional treatment for venous related diseases in the Chinese market, which enables us to promote our peripheral venous products efficiently and enhance our partnership with distributors.

With our strong commercialization capability to effectively leverage our sales network and resources, we were able to seize every opportunity to increase our products' market penetration. VBPs have and will continue to reshape the industry's competitive landscape. We carefully designed and executed our bidding strategies. As a result, we quickly expanded our hospital access for the products by capturing the bid-winning opportunities of the provincial VBPs, which led to a significant revenue growth in 2023. In 2023, leveraging our comprehensive product portfolio and cost advantages, we actively participated in multiple provincial VBPs and has achieved good results. In Henan VBP process of medical consumables for public medical institutions in March 2023, the Company secured successful bids for nearly all of our neurovascular intervention products that were included in the bidding. This success included 7 bid-winning products, including Thrombite Clot Retriever Device, SilverSnake Intracranial Support Catheter, White Horse Intracranial Balloon Catheter, Beidou SS Neurovascular Guidewire etc. As of the end of 2023, the hospital admission rate of the bid-winning products was close to 100%, with the highest domestic market share for all products on sale. Furthermore, the Company's UltraFree DCB and ZENLOW PTA Balloon Catheter were also successfully awarded the bid in this procurement. Following the implementation of the VBP, UltraFree DCB reached a market share of approximately 70% in Henan Province and ZENLOW PTA Balloon Catheter became the top tier domestic brand with the highest market share by the end of 2023. Among the proposed bid-winning results of the 28 types of medical consumables VBPs under the Beijing-Tianjin-Hebei "3+N" Alliance announced in March 2024, the Company's Thrombite CRD and SilverSnake Intracranial Support Catheter were nominated for bid-winning qualification. The Company's Clot Retriever Device I and Clot Retriever Device ll were also both proposed to be qualified for bid winning, with Clot Retriever Device II securing the first place in Group B. This achievement entitles it to a 20% allocation of the agreed procurement volume for this product category. Meanwhile, SilverSnake Intracranial Support Catheter achieved first place in Group A

in the support and auxiliary catheter category, earning it the opportunity to receive 20% of the agreed volume procurement for this specific category. These products possess exceptional characteristics, and we anticipate further market share growth in areas where VBPs are implemented. The commercialization of the Company's Phoenix Neurovascular Embolization Coil has been making significant strides since 2022. This product has consistently secured bids in provincial VBPs across several provinces, including Fujian, Jiangsu, 21 Provincial Alliance of Jilin, Anhui, etc. These VBPs have been implemented over an extended period, providing valuable reference points. In 2023, with the implementation of VBPs in several provinces carried out during 2022, the market share of Phoenix Neurovascular Embolization Coil in China witnessed a rapid growth, reaching approximately 10% as of the end of 2023, which is expected to further increase. It is strong evidence of our adept utilization of VBPs, driving accelerated market share growth through strategic product differentiation strategies.

4. We continued to invest resources in international business and enhance our international market influence.

In 2023, we generated a revenue of RMB14.3 million from outside of the PRC, which represented an increase of 83.1% compared to 2022. In 2023, our commercial reach extended to 19 overseas countries, including Germany, France, Italy, Poland, and Belgium. In addition to the EU market, we have ventured into promising regions such as the Middle East and South America, with plans to expand registrations in Northern Asia, Southeast Asia and further. Alongside traditional sales and marketing efforts, we prioritized enhancing our quality recognition by conducting post-marketing clinical follow-up trials for CE-marked products in Europe. This initiative is crucial for demonstrating the clinical value of our products overseas, further obtaining EU MDR certification, and consistently serving international patients. Moving forward, we are actively evaluating opportunities in additional potential markets and anticipate allocating resources to further enhance our global footprint.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Year ended December 31,	
		2023	2022
		RMB'000	*RMB'000*
Revenue	3	**527,754**	334,090
Cost of sales		**(142,766)**	(81,421)
Gross profit		**384,988**	252,669
Selling and distribution expenses		**(163,827)**	(140,137)
Administrative expenses		**(114,088)**	(109,337)
Research and development expenses		**(261,013)**	(233,461)
Other income		**14,851**	12,165
Other expenses		**(1,599)**	(1,339)
Other (losses)/gains — net		**(15,820)**	11,066
Net impairment losses on financial assets		**(15)**	(24)
Operating loss		**(156,523)**	(208,398)
Finance income		**79,040**	95,565
Finance costs		**(1,251)**	(722)
Finance income — net		**77,789**	94,843
Loss before income tax		**(78,734)**	(113,555)
Income tax expense	4	**—**	—
Loss and total comprehensive loss for the year attributable to the equity holders of the Company		**(78,734)**	(113,555)
Loss per share attributable to the equity holders of the Company			
Basic and diluted loss per share *(in RMB per share)*	5	**(0.24)**	(0.34)

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2023

	Note	As at December 31, 2023	2022
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**538,540**	290,243
Right-of-use assets		**39,820**	48,136
Intangible assets		**9,686**	9,637
Prepayments and other receivables	6	**4,278**	10,645
Financial assets at fair value through profit or loss		**33,310**	43,361
Term deposits		**1,032,886**	789,075
Total non-current assets		**1,658,520**	1,191,097
Current assets			
Inventories		**166,542**	119,244
Prepayments, other receivables and other current assets	6	**38,588**	81,025
Trade receivables	7	**1,182**	1,014
Financial assets at fair value through profit or loss		**68,744**	110,229
Term deposits		**355,546**	545,140
Cash and cash equivalents		**1,086,579**	1,205,302
Restricted cash		**—**	645
Total current assets		**1,717,181**	2,062,599
Total assets		**3,375,701**	3,253,696
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		**332,401**	332,401
Share premium		**2,270,033**	2,270,033
Other reserves		**1,014,452**	928,685
Treasury shares		**(87,594)**	(33,793)
Accumulated losses		**(481,907)**	(403,173)
Total equity		**3,047,385**	3,094,153

	Note	As at December 31, 2023 RMB'000	2022 RMB'000
Liabilities			
Non-current liabilities			
Deferred revenue		**8,674**	—
Lease liabilities		**1,859**	7,459
Total non-current liabilities		**10,533**	7,459
Current liabilities			
Trade and other payables	8	**233,886**	126,652
Contract liabilities	3	**19,922**	9,601
Borrowings		**50,000**	—
Lease liabilities		**4,018**	6,543
Investment in forward foreign exchange contract		**—**	278
Other current liabilities		**9,957**	9,010
Total current liabilities		**317,783**	152,084
Total liabilities		**328,316**	159,543
Total equity and liabilities		**3,375,701**	3,253,696

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 General information

Zylox-Tonbridge Medical Technology Co., Ltd. (the "**Company**", or "**Zylox-Tonbridge Medical**") was incorporated in Hangzhou, Zhejiang Province of the People's Republic of China (the "**PRC**") on November 6, 2012 as a limited liability company. On March 2, 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Zhejiang Zylox Medical Device Co., Ltd." to "Zylox-Tonbridge Medical Technology Co., Ltd."

The Company and its subsidiaries (together, the "**Group**") are providing solutions to patients and physicians with the product portfolio covering peripheral-vascular interventional devices and neurovascular interventional devices in the PRC and other countries.

The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 5, 2021.

These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

These consolidated financial statements have been approved for issue by the Board of Directors on March 21, 2024.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2023:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates — Amendments to IAS 8
- International Tax Reform — Pillar Two Model Rules — Amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12
- Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2

The amendments listed above did not have material impact on the amounts recognised in prior periods or for the current period.

(b) New Standards, amendments to standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretations that have been issued but not yet effective and not been early adopted by the Group for the reporting period are as follows:

	New standards, amendments	**Effective for annual periods beginning on or after**
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16	Leases on sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the related impact of the above amendments to standards which are relevant to the Group's operation. There are no other standards that are not yet effective and that are expected to have a material impact on the Group's financial performance and position.

3 Segment and revenue information

(a) Description of segments and principal activities

The management of the Company has determined the operating segment based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company. On this basis, the Group has determined that it only has one operating segment which is the sales of neurovascular and peripheral-vascular interventional devices during the year.

(b) The amount of each category of revenue is as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
At a point in time		
— Revenue from sales of goods	**526,452**	334,090
— Others	**1,302**	—
	527,754	334,090

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Revenue from sales of goods		
— Neurovascular interventional devices	**381,799**	233,398
— Peripheral-vascular interventional devices	**144,653**	100,692
	526,452	334,090

(c) The Group recognized the following liabilities related to the contracts with customers:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Contract liabilities	**19,922**	9,601

Contract liabilities represent advance from customers and are recognized when payments are received before the transfer of goods. Management expects that the transaction price allocated to the unsatisfied contracts as at December 31, 2023 and 2022 will be recognised as revenue within one year.

(d) Revenue recognized that was included in the balance of contract liabilities at the beginning of the year:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Revenue from sales of goods	**9,601**	3,420

(e) Geographical information

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
The PRC	**513,482**	326,294
Others	**14,272**	7,796
	527,754	334,090

The revenue information above is based on the locations of the customers. All of the non-current assets of the Group are physically located in the PRC.

4 Income tax expense

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Current income tax expense	**—**	—
Deferred income tax expense	**—**	—
	—	—

The Group's principal applicable taxes and tax rates are as follows:

(a) Mainland China

Pursuant to the PRC Corporate Income Tax Law and the respective regulations (the "**CIT Law**"), the Group is subject to enterprise income tax at a rate of 25% on the taxable income other than the Company and its subsidiary, Tongqiao Medical Technology Co., Ltd. ("**Tongqiao Medical Technology**"). The Company and Tongqiao Medical Technology were accredited as "High and New Technology Enterprise" ("**High-New Tech Enterprise**") and are eligible for a corporate income tax rate of 15% for the year ended December 31, 2023 and 2022.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that has been effective from 2021 onwards, manufacturing enterprises are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses.

The tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extending the expiry date of tax losses of High-New Tech Enterprise, the expiry date of the unused tax losses of the Company and Tongqiao Medical Technology extended from 5 years to 10 years.

(b) Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the year ended December 31, 2023.

According to the Hong Kong tax laws and regulations, the tax losses would be carried forward and deducted for income tax purposes, without expiry date.

No deferred tax asset has been recognized in respect of the tax losses and temporary differences due to the unpredictability of future profit streams.

A reconciliation of the expected income tax calculated at the applicable tax rate and loss before income tax, with the actual income tax is as follow:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss before income tax	**(78,734)**	(113,555)
Tax calculated at statutory tax rates applicable to each Group entity	**(15,876)**	(22,005)
Tax effect of:		
Expenses not deductible for tax purpose	**2,034**	1,779
Extra deduction for research and development expenses	**(33,081)**	(32,961)
Temporary differences not recognized as deferred tax assets	**12,336**	8,907
Previously unrecognised tax losses now recouped to reduce current tax expense	**(391)**	—
Tax losses not recognized as deferred tax assets	**34,978**	44,280
Income tax expense	**—**	—

(c) Unrecognized tax losses and temporary differences

The Group has not recognized any deferred tax assets in respect of the following items:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Deductible losses (a)	**179,677**	230,602
Deductible temporary differences	**81,393**	61,751
	261,070	292,353

(a) As at December 31, 2023 and 2022, the Group had unused tax losses of approximately RMB1,114,372,000 and RMB941,392,000 that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income. Except for the Company's subsidiary Zylox Tonbridge Medical Limited, whose tax losses will be carried forward indefinitely, the Group's tax losses carried forward will expire between 2024 and 2033.

5 Loss per share

Basic loss per share is calculated by dividing the loss of the Group attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the financial year excluding treasury shares.

For the years ended December 31,2023 and 2022, the Group has potential dilutive shares related to the shares held for Pre-IPO Share Option Scheme. Due to the Group's losses, the potential ordinary shares are not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share is the same as basic loss per share.

The calculations of basic and diluted loss per share are based on:

	Year ended December 31,	
	2023	**2022**
Loss attributable to equity holders of the Company *(RMB'000)*	**(78,734)**	(113,555)
Weighted average number of ordinary shares in issue during the year *(thousand)*	**328,711**	330,388
Basic and diluted loss per share *(RMB)*	**(0.24)**	(0.34)

6 Prepayments, other receivables and other current assets

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Included in non-current assets		
Prepayments:		
Prepayments for purchase of property, plant and equipment	**3,137**	7,474
Prepayments for purchase of intangible assets	**—**	1,242
Other receivables:		
Deposits for leases	**1,141**	1,929
Total	**4,278**	10,645
Included in current assets		
Prepayments:		
Prepayments for purchase of goods	**17,133**	43,807
Prepayments for purchase of service	**5,256**	22,603
Other receivables:		
Deposits for industrial land project performance guarantee and leases	**3,444**	3,196
Rental related receivable	**3,363**	998
Dividends from financial assets at FVPL	**504**	—
Others	**1,865**	713
Less: loss allowance	**(40)**	(27)
Others:		
Value-added tax recoverable	**7,063**	9,735
Total	**38,588**	81,025

7 Trade receivables

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables from contracts with customers	**1,202**	1,032
Less: loss allowance	**(20)**	(18)
	1,182	1,014

The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a life time expected loss allowance for all trade receivables.

As at December 31, 2023 and 2022, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Up to 3 months	**941**	956
3 to 6 months	**103**	—
Over 6 months	**158**	76
	1,202	1,032

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above.

As at December 31, 2023, a provision of RMB20,000 was made against the gross amounts of trade receivables.

8 Trade and other payables

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade payables (a)	**27,508**	10,735
Payables for purchase of property, plant and equipment	**118,853**	36,742
Staff salaries and welfare payables	**64,431**	61,227
Payables to suppliers of service	**14,935**	7,520
Accrued taxes other than income tax	**6,312**	8,933
Others	**1,847**	1,495
	233,886	126,652

(a) The ageing analysis of trade payables based on invoice date at the respective balance sheet dates is as follows:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**27,508**	10,735

9 Dividend

No dividend has been paid or declared by the Company during each of the years ended December 31, 2023 and 2022 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We are a leading player in the neuro-and peripheral-vascular interventional devices market in China. As an integrated medical device company supported by our in-house R&D and manufacturing capabilities, proprietary technological platforms and commercialization capabilities, we provide physicians and patients in China and overseas with medical devices to treat and manage neuro-and peripheral-vascular diseases. We strive to provide all patients, regardless of their ethnicity, age and economic conditions, with accessible medical devices and services.

Business Highlight

In 2023, we continued our dedication to enhancing the accessibility of medical care, innovating for quality life, and steadily advancing our core capabilities in product research and development, production and commercialization.

During the Reporting Period, we achieved a revenue of RMB527.8 million, with RMB526.5 million from sales of interventional products, representing an increase of 57.6% as compared to 2022. 72.5% of our interventional products revenue was derived from the neurovascular interventional products business and 27.5% was derived from the peripheral-vascular interventional products business. The significant growth of our revenue was primarily fueled by the high sales growth of both neurovascular and peripheral-vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2023 increased by 63.6% as compared to 2022, primarily because of (i) continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, White Horse Intracranial PTA Balloon Catheter (Rx) and Thrombite Clot Retriever Device (Thrombite CRD). This growth is attributed to (i) increasing recognition of product quality and clinical performance by physicians; (ii) our effort to increase product marketing penetration; and (iii) increased revenue from the Phoenix Neurovascular Embolization Coil due to expanded hospital access and accelerated market penetration through diverse regional VBPs programs across various provinces in the country.

The revenue from sales of peripheral-vascular interventional products in 2023 increased by 43.7% as compared to 2022 because of the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZENFLOW PTA Balloon Catheter and ZENFLOW High Pressure PTA Balloon Catheter. This growth is the result of (i) our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous enrichment of our peripheral venous disease treatment product portfolio, highlighted by the commercial launch of ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter and ZYLOX Octoplus Retrievable Inferior Vena Cava Filter in 2022, which generated additional revenue in 2023.

In line with our strategic objectives, we focused on improving operational efficiency while increasing revenue organically. In 2023, we were able to generate a non-IFRS adjusted net profit of RMB7.0 million, representing the loss for the year adjusted by taking out share-based compensation expenses.

While we continue to increase our revenue, we are committed to improving operational efficiency and optimizing resource allocation:

- We further increased our sales and marketing efficiency, which was evidenced by continued decrease in selling and distribution expenses as a percentage of total revenue from 41.9% in 2022 to 31.0% in 2023. This achievement was mainly attributed to (i) ongoing enhancements and fortification of the sales and marketing team and sales network; (ii) the increasing clinical recognition of product quality, which led to higher market promotion efficiency; and (iii) a more comprehensive product portfolio, which enhanced the efficiency of sales efforts.

- Research and development expenses as a percentage of total revenue decreased from 69.9% in 2022 to 49.5% in 2023 as we continued to maintain an efficient research and development system while the amount of research and development expenses increased from RMB233.5 million in 2022 to RMB261.0 million in 2023 as we continue to advance various key R&D projects, such as Self-expandable Intracranial Stent and Intracranial Stent. While we strive to invest in innovation and expand our product offerings, we regularly evaluate our product pipeline and optimize our R&D process to maintain high R&D investment efficiency.

- Our administrative expenses remained relatively stable between 2022 and 2023, despite that our overall scale of operation and sales have increased tremendously. As a result, our administrative expenses as a percentage of total revenue decreased from 32.7% in 2022 to 21.6% in 2023. The increased efficiency was primarily attributed to our efforts to streamline operation protocols and the enhancement of IT systems.

1. We continuously enrich the product portfolio and introduce innovative product offerings to the Chinese market.

Throughout 2023 and the first quarter of 2024, we have diligently expanded our product lineup, introducing several innovative products that reinforce our leading position in the market. For the peripheral-vascular interventional product portfolio, we were proud to unveil the ZYLOX Penguin Peripheral Venous Stent System. This innovative product, developed collaboratively with renowned experts in China, features three key elements: oblique entrance, tapered gradient, and integrated structure. These design enhancements are meticulously crafted to minimize the risk of thrombosis while ensuring optimal alignment with the natural variations in blood vessel dimensions. It also provides excellent wall adherence and gradual expansion, with a proximal closed-loop structure for strong support and a distal open-loop structure for excellent alignment.

In addition to our in-house research and development, we also expand our innovative product offerings by external strategic collaboration. In March 2024, we entered into a series of licensing and investment agreements with Avinger Inc., a U.S.-based innovative medical device company. Through this partnership, we are poised to introduce OCT imaging-guided peripheral-vascular artery atherectomy devices and peripheral-vascular chronic total occlusion-crossing devices to the Chinese market. These additions to our portfolio will significantly bolster our peripheral-vascular interventional device offerings, providing patients with more comprehensive treatment and solution options. The Company believes this collaboration is another key step for building our leading position in the peripheral arterial disease (PAD) interventional device market.

2. Our robust R&D capabilities enable us to proactively enhance our product offerings to meet evolving clinical needs.

Leveraging our strong R&D expertise and integrated technology platforms, we have maintained momentum in advancing our product development with great efficiency. We have been working on upgrading our existing product offerings to cater to the varying needs of the physicians. During the Reporting Period, we launched the second generation for several of our existing products, including Clot Retriever Device II (Second Generation Clot Retriever Device), UberVana Drug-coated PTA (Second Generation DCB), Second Generation PTA Balloon Catheter and Second Generation High Pressure PTA Balloon Catheter. We believe the continuous upgrading of our products fits our strategy well to provide more comprehensive options to physicians and patients for treatments. It also allows us to continuously optimize our product offerings and reduce cost to maintain a reasonably stable gross profit margin in the ever-evolving market environment.

As at the date of this announcement, we have a total of 39 products commercially launched in China, making us a prominent leader in the Chinese medical device industry with the most comprehensive product portfolios in both the neurovascular and peripheral-vascular interventional sectors.

3. We continued to improve our sales and marketing efficiency by leveraging a differentiated and comprehensive product portfolio and acting strategically in the Volume-based Procurements (VBPs) in the domestic market.

Leveraging our increasingly refined and differentiated product portfolio, we are better positioned to enhance product recognition among clinical professionals and strengthen our competitive advantages in commercial channels. For example, in the peripheral venous disease treatment product segment, we launched a total of five products in the last 24 months. We commercially launched the Retrievable Vena Cava Filter for deep vein thrombosis prevention in December 2022, then the Endovenous Radiofrequency Ablation (RFA) Catheter and system for the treatment of venous insufficiency in 2023, and we launched the Peripheral Venous Stent System for the treatment of iliac compression syndrome in January 2024. Currently, we have the most comprehensive product offering for interventional treatment for venous related diseases in the Chinese market, which enables us to promote our peripheral venous products efficiently and enhance our partnership with distributors.

With our strong commercialization capability to effectively leverage our sales network and resources, we were able to seize every opportunity to increase our products' market penetration. VBPs have and will continue to reshape the industry's competitive landscape. We carefully designed and executed our bidding strategies. As a result, we quickly expanded our hospital access for the products by capturing the bid-winning opportunities of the provincial VBPs, which led to a significant revenue growth in 2023. In 2023, leveraging our comprehensive product portfolio and cost advantages, we actively participated in multiple provincial VBPs and has achieved good results. In Henan VBP process of medical consumables for public medical institutions in March 2023, the Company secured successful bids for nearly all of our neurovascular intervention products that were included in the bidding. This success included 7 bid-winning products, including Thrombite Clot Retriever Device, SilverSnake Intracranial Support Catheter, White Horse Intracranial Balloon Catheter, Beidou SS Neurovascular Guidewire etc. As of the end of 2023, the hospital admission rate of the bid-winning products was close to 100%, with the highest domestic market share for all products on sale. Furthermore, the Company's UltraFree DCB and ZENLOW PTA Balloon Catheter were also successfully awarded the bid in this procurement. Following the implementation of the VBP, UltraFree DCB reached a market share of approximately 70% in Henan Province and ZENLOW PTA Balloon Catheter became the top tier domestic brand with the highest market share by the end of 2023. Among the proposed bid-winning results of the 28 types of medical consumables VBPs under the Beijing-Tianjin-Hebei "3+N" Alliance announced in March 2024, the Company's Thrombite CRD and SilverSnake Intracranial Support Catheter were nominated for bid-winning qualification. The Company's Clot Retriever Device I and Clot Retriever Device ll were also both proposed to be qualified for bid winning, with Clot Retriever Device II securing the first place in Group B. This achievement entitles it to a 20% allocation of the agreed procurement volume for this product category. Meanwhile, SilverSnake Intracranial

Support Catheter achieved first place in Group A in the support and auxiliary catheter category, earning it the opportunity to receive 20% of the agreed volume procurement for this specific category. These products possess exceptional characteristics, and we anticipate further market share growth in areas where VBPs are implemented. The commercialization of the Company's Phoenix Neurovascular Embolization Coil has been making significant strides since 2022. This product has consistently secured bids in provincial VBPs across several provinces, including Fujian, Jiangsu, 21 Provincial Alliance of Jilin, Anhui, etc. These VBPs have been implemented over an extended period, providing valuable reference points. In 2023, with the implementation of VBPs in several provinces carried out during 2022, the market share of Phoenix Neurovascular Embolization Coil in China witnessed a rapid growth, reaching approximately 10% as of the end of 2023, which is expected to further increase. It is strong evidence of our adept utilization of VBPs, driving accelerated market share growth through strategic product differentiation strategies.

4. We continued to invest resources in international business and enhance our international market influence.

In 2023, we generated a revenue of RMB14.3 million from outside of the PRC, which represented an increase of 83.1% compared to 2022. In 2023, our commercial reach extended to 19 overseas countries, including Germany, France, Italy, Poland, and Belgium. In addition to the EU market, we have ventured into promising regions such as the Middle East and South America, with plans to expand registrations in Northern Asia, Southeast Asia and further. Alongside traditional sales and marketing efforts, we prioritized enhancing our quality recognition by conducting post-marketing clinical follow-up trials for CE-marked products in Europe. This initiative is crucial for demonstrating the clinical value of our products overseas, further obtaining EU MDR certification, and consistently serving international patients. Moving forward, we are actively evaluating opportunities in additional potential markets and anticipate allocating resources to further enhance our global footprint.

Our Products and Product Pipeline

As China's leading interventional medical device company in developing minimally invasive vascular interventional medical devices, we have built a comprehensive product portfolio including neurovascular and peripheral-vascular interventional devices. As at the date of this announcement, we have strategically deployed a total of 64 products and product candidates. As of the date of this announcement, the Company has a total of 39 products commercially launched in China, eight products granted CE Mark in the European Economic Area, five products approved in the United Arab Emirates (UAE), and a number of products granted marketing approval in overseas countries including Germany and the U.K., etc.

The following chart sets forth our commercially launched products and expected commercial launch year of our product candidates in the Chinese market as at the date of this announcement:

Product Portfolio for Neurovascular Interventional, Peripheral-Vascular Interventional and Vascular Closure Devices in China Market:

	Breakdown by Category	Commercially Launched	Expected Commercial Launch Year			
			2024	2025	2026	2027
Neurovascular Interventional	Intracranial Ischemic Stroke	• Thrombite Clot Retriever Device (CRD) • Clot Retriever Device ll • SilverSnake Intracranial Support Catheter • Dayu Balloon Guiding Catheter (BGC) • Aspiration Catheter • Aspiration Pump System				
	Intracranial Stenosis	• White Horse Intracranial PTA balloon catheter (Rx) • Microcatheter for Intracranial Stent • Second Generation Intracranial PTA balloon catheter (Rx)		• Intracranial Drug Coated Balloon Catheter	• Intracranial Stent • Drug Coated Self-expandable Intracranial Stent	
	Intracranial Hemorrhagic Stroke	• Phoenix Neurovascular Embolization Coil • Mechanical Detachable Coil ll • Microcatheter for Coiling • Microcatheter for Flow Diverter	• Flow Diverter	• Self-expandable Intracranial Stent		
	Intracranial Access	• Microcatheter for Clot Retriever • SilverSnake DA Distal Access Catheter • SilverSnake Standard Intracranial Support Catheter • Beidou SS Neurovascular Guidewire • Intermediate Catheter • Xuanwu Introducer Sheath • SilverSnake Radial Access Distal Support Catheter				
	Carotid Artery Stenosis	• Carotid Rx PTA Balloon Catheter	• Embolic Protection System		• Carotid Stent	

	Breakdown by Category	Commercially Launched	Expected Commercial Launch Year			
			2024	2025	2026	2027
Peripheral-Vascular Interventional	Arterial	• UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB) • UberVana Drug-coated PTA Balloon Catheter • ZENFLOW PTA Balloon Catheter • ZENFLOW Second Generation PTA Balloon Catheter • Endovascular Snare • Tapered PTA Balloon Catheter	• Long Balloon Catheter • PTA Scoring Balloon Catheter	• Drug Coated PTA Balloon Catheter-BTK • IVL System • Pantheris OCT-guided Peripheral-vascular Atherectomy Catheter Series • Tigereye ST OCT-guided Peripheral-vascular Chronic Total Occlusion-crossing Catheter • Ocelot OCT-guided Peripheral-vascular Chronic Total Occlusion-crossing Catheter • LightBox 3 OCT Imagining Consoles	• Peripheral Drug-Eluting Stent System • Multi-spot Stent System • Sawtooth Removal Balloon Catheter	• Balloon Expandable Covered Stent
	Venous	• ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter • Radiofrequency Generator • ZYLOX Octoplus Retrievable Inferior Vena Cava Filter • Snare Retrieval Kit for IVC Filter • ZYLOX Penguin Peripheral Venous Stent System • ZENFLOW Tiger PTA Balloon Catheter Large Diameter • Infusion Catheter		• Peripheral Thrombectomy System		
	Hemodialysis Access	• ZENFLOW HP PTA High Pressure Balloon Catheter • ZENFLOW HP PTA Second Generation High Pressure Balloon Catheter			• Ultra High Pressure Balloon Catheter	
	Aortic Intervention				• Thoracic Aorta Stent Graft System	
	Peripheral Embolization Intervention and Others	• Peripheral Detachable Embolization Coils • TIPS Access Set • Peripheral Hydrophilic Guidewires Series				
Vascular Closure Devices			• Suture-mediated Closure System	• Vascular Closure System		

The following chart sets forth our products approved in overseas markets as of the date of this announcement:

	Product	Approved Region
Neurovascular Interventional	Thrombite Clot Retriever Device	CE, Germany, U.K., Italy, Turkey, South Africa, Argentina
	Aspiration Catheter	CE, Germany, U.K., Italy, Turkey, South Africa, Argentina
	Microcatheter for Clot Retriever	CE, Germany, U.K., Italy, South Africa, Argentina

	Product	Approved Region
Peripheral-vascular Interventional	ZENFluxion Peripheral Drug Coated Balloon Catheter	CE, Germany, Poland, Turkey, Argentina, U.K., Italy, United Arab Emirates (UAE)
	ZENFlow PTA Balloon Catheter	CE, Germany, Poland, Turkey, France, Argentina, Czech Republic, Slovakia, U.K., Italy, UAE
	ZENFlow PTA High Pressure Balloon Catheter	CE, Germany, Turkey, Argentina, Czech Republic, Slovakia, U.K., Italy, UAE
	ZENFlex Peripheral Stent System	CE, Germany, Poland, Turkey, France, Argentina, Czech Republic, Slovakia, U.K., Italy, UAE
	ZENFLEX Pro Peripheral Drug-Eluting Stent System	CE, Germany, Poland, Argentina, Czech Republic, Slovakia, U.K., Italy, UAE
	ZENFlow Tiger PTA Balloon Catheter Large Diameter	Brazil

Our Neurovascular Interventional Products

Our current neurovascular product portfolio covers a full suite of products for five major categories, namely ischemic stroke, hemorrhagic stroke, intracranial stenosis, carotid artery stenosis and intracranial access devices. As at the date of this announcement, we have 21 neurovascular interventional products approved by the NMPA. We expect to have seven more neurovascular interventional products approved by the NMPA by the end of 2027.

Intracranial Ischemic Stroke Treatment

In the field of ischemic neurovascular diseases, in particular intracranial ischemic stroke, we have six product offerings, among which we have launched Thrombite CRD, SilverSnake intracranial support catheter and balloon guiding catheter (BGC) successfully as a complete three-piece solution for physicians. We are actively promoting our BADDASS (i.e. Balloon guide with large bore Distal access catheter with Dual Aspiration with Stent-retriever as Standard approach) with clot-retrieval modality.

Thrombite Clot Retriever Device (Thrombite CRD)

We are improving the adoption of Thrombite CRD by introducing the holistic three-piece treatment package and BADDASS with clot-retrieval modality.

Clot Retriever Device II (Thrombite CRD II)

This second-generation Clot Retriever Device is designed with more specifications, offering physicians more choices when dealing with occluded blood vessels of different diameters and thrombus of different sizes.

Intracranial Hemorrhagic Stroke Treatment

In the field of intracranial hemorrhagic stroke, we have six product offerings, among which we have launched two therapeutic products, namely, Phoenix Neurovascular Embolization Coils and Mechanical Detachable Coil II.

Phoenix Neurovascular Embolization Coil

Our Phoenix coil is extra soft and imposes minimal pressure to the aneurysm wall, thus reducing the risk of aneurysm rupture or other injury. Leveraging our unique mechanical detachment mechanism, our neurovascular embolization coil is also easier to be detached from the delivery system.

Mechanical Detachable Coil II (Second Generation Neurovascular Embolization Coil)

We have upgraded our neurovascular embolization coil to improve their basket-forming performance. Launched in the first quarter of 2024 the second-generation neurovascular embolization coils come in more specifications and sizes, offering more options for physicians when dealing with intracranial aneurysms of different sizes.

Flow Diverter

Flow Diverter is a visualized distal closure dense braided stent, which is made of nitinol-wrapped platinum material to achieve full visualization, with the closure design on the distal end. Compared with similar products in the market, it features better adherence and visualization performance, thereby improving the visibility and safety during operations. At the same time, its more complete product specifications can meet the needs of different lesions in clinical treatment.

Our Peripheral-Vascular Interventional Products in China

We have a comprehensive peripheral-vascular interventional product portfolio, covering the a full series of arterial and venous products such as stents, balloons, catheters and filters. As of the date of this announcement, we have 18 peripheral-vascular intervention products in China approved by the NMPA. We expect to have an additional 17 peripheral-vascular intervention products approved by the NMPA by the end of 2027.

Peripheral Arterial Vascular Diseases Treatment

Our peripheral arterial vascular diseases treatment pipeline includes a total of 18 products.

UltraFree Drug-coated PTA Balloon Catheter (UltraFree DCB)

Since UltraFree DCB's launch in November 2020, we have mainly focused our commercialization effort in China. We also obtained CE Mark in October 2020 and commercialized UltraFree DCB in Europe in the second half of 2021.

In addition, we continue to work on the indication expansion of UltraFree DCB. Currently, we are in the process of patient enrollment for the clinical trial of Drug Coated PTA Balloon Catheter — Below the Knee (BTK).

UberVana Drug-coated PTA Balloon Catheter (Second Generation of DCB)

We have been continuously improving the performance of our DCB, by increasing its flexibility for better crossing, navigation and dilatation performance. UberVana is developed and manufactured on our drug coating platform. Leveraging the patented coating process of pure paclitaxel drug balloons, we apply advanced nano modification technology to further optimize the adsorption and related physicochemical properties of paclitaxel drug crystals on the surface of the balloons, which makes the micro-storage of pure paclitaxel drug more efficient and the transportation of drug to the target lesion site more accurate. This technology is expected to further improve the medium and long-term effects of DCB treatment.

Pantheris OCT-guided Peripheral Vascular Atherectomy Catheter Series, Tigereye ST & Ocelot OCT-guided Peripheral-vascular Chronic Total Occlusion-crossing Catheter Series and LightBox 3 OCT Imagining Consoles

In March 2024, we entered into a series of licensing and investment agreements with Avinger Inc., a U.S.-based innovative medical device company and a third party independent to the Company. The three flagship products with disruptive technology we licensed from Avinger Inc. are Pantheris, which has been approved for the treatment of peripheral vascular atherosclerosis diseases as well as ISR in the U.S., Tigereye ST and Ocelot, which have been approved for the peripheral vascular chronic total occlusion-crossing ("**CTO-crossing**") in the U.S., and LightBox 3, the OCT imaging consoles. These products are the only PAD devices with real time imaging function worldwide. Pantheris is applied for peripheral artery atherectomy procedures to remove the atherosclerosis plaques. Evidences show that post-atherectomy vessels are better prepared for further treatment with drug-coated balloons or stents to generate long-term efficacy results. Meanwhile, supported by real-time intra-vascular images during atherectomy, physicians can reserve the nature vessel structure of PAD patients in order to reduce the risk of vascular damage and other Major Adverse Event ("**MAE**"). Tigereye ST and Ocelot are also equipped with an OCT imaging system in order to clearly show the structure of the diseased vessel. These devices significantly enhance the crossing success rate and maintain the crossing device in the true lumen (i.e. the original channel in the blood vessel) to enable more freedom of treatment device selection, which are the key pain points for crossing guidewires. Along with the adoption of OCT

imaging during procedures, physicians and patients can also benefit from the reduction of fluoroscopy usage, thus protecting themselves. We are now in the process of registering and localizing the entire product family of OCT consoles, OCT-guided peripheral vascular atherectomy devices and peripheral vascular CTO-crossing devices developed by Avinger in Greater China (including Mainland China, Hong Kong, Taiwan and Macau) and expect to launch the products in 2025.

Peripheral Venous Vascular Diseases Treatment

Our peripheral venous vascular diseases treatment pipeline includes a total of eight products and product candidates, among which we have launched the ZYLOX Swan Endovenous Radiofrequency Ablation Catheter, ZYLOX Octoplus Vena Cava Filter and ZYLOX Penguin Peripheral Venous Stent System. We are one of the few domestic companies that can provide a comprehensive product offering for the treatment of the most common venous diseases, such as varicose veins, deep vein thrombosis and iliac compression syndrome.

ZYLOX Swan Endovenous Radiofrequency Ablation Catheter

The product is innovatively designed as a smaller outer diameter 6F ablation catheter, which can be released by a single button during the treatment process with easy operation. The temperature of the catheter rapidly rises to a controllable 120°C within 5 seconds, and an ablation treatment cycle can be completed in 20 seconds, which enables efficient and effective vascular closure. This product was approved by the NMPA in August 2022. We are in the process of accelerating the commercialization of the product in China.

ZYLOX Octoplus Vena Cava Filter

The product features an innovative design, instant and excellent adherent performance and self-balancing ability, which enables a more accurate release of the product and more efficient thrombus interception in the long term. Meanwhile, ZYLOX Octoplus is expected to reduce the risk of pulmonary embolism (PE) in patients, providing a longer treatment window for thrombolytic therapy and improving the success rate of deep vein thrombosis (DVT) treatment.

ZYLOX Penguin Peripheral Venous Stent System

The product features three major designs of oblique entrance, tapered gradient and integrated structure, is designed to reduce the risk of thrombosis while ensuring alignment with the natural variation of dimension of the blood vessel. The ZYLOX Penguin Peripheral Venous Stent System is designed to provide excellent wall adherence and gradual expansion, with a proximal closed-loop structure for strong support and a distal open-loop structure for excellent alignment. The product was approved by the NMPA in January 2024. We are in the process of accelerating the commercialization of the product in China.

II. FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this announcement.

Revenue

During the Reporting Period, we achieved a revenue of RMB527.8 million, with RMB 526.5 million from sales of interventional products, representing an increase of 57.6% as compared to 2022. 72.5% of our interventional products revenue was derived from the neurovascular interventional products business and 27.5% was derived from the peripheral-vascular interventional products business. The significant growth of our revenue was primarily fueled by the high sales growth of both neurovascular and peripheral-vascular interventional devices segments.

The revenue from sales of neurovascular interventional products in 2023 increased by 63.6% as compared to 2022, primarily because of (i) continued revenue growth from our key products, such as SilverSnake Intracranial Support Catheter, Phoenix Neurovascular Embolization Coil, White Horse Intracranial PTA Balloon Catheter (Rx) and Thrombite Clot Retriever Device (Thrombite CRD). This growth is attributed to (i) increasing recognition of product quality and clinical performance by physicians; (ii) our effort to increase product marketing penetration; and (iii) increased revenue from the Phoenix Neurovascular Embolization Coil due to expanded hospital access and accelerated market penetration through diverse regional VBPs programs across various provinces in the country.

The revenue from sales of peripheral-vascular interventional products in 2023 increased by 43.7% as compared to 2022 because of the rapid growth of sales revenue of our UltraFree Drug Coated PTA Balloon Catheter (UltraFree DCB), ZENFLOW PTA Balloon Catheter and ZENFLOW High Pressure PTA Balloon Catheter. This growth is the result of (i) our ongoing efforts to expand market access, increase hospital penetration and expand distribution network; and (ii) the continuous enrichment of our peripheral venous disease treatment product portfolio, highlighted by the commercial launch of ZYLOX Swan Endovenous Radiofrequency Ablation (RFA) Catheter and ZYLOX Octoplus Retrievable Inferior Vena Cava Filter in 2022, which generated additional revenue in 2023.

The following tables set forth a breakdown of our revenue by business line and by product category:

At a point in time	Year ended December 31, 2023 RMB'000	Year ended December 31, 2023 Proportion	Year ended December 31, 2022 RMB'000	Year ended December 31, 2022 Proportion	Year to year change %
Revenue from sales of goods	**526,452**	**99.8%**	334,090	100.0%	57.6%
Others	**1,302**	**0.2%**	—	—	NA
	527,754	**100.0%**	334,090	100.0%	58.0%

Revenue from sales of goods	Year ended December 31, 2023 RMB'000	Year ended December 31, 2023 Proportion	Year ended December 31, 2022 RMB'000	Year ended December 31, 2022 Proportion	Year to year change %
Neurovascular interventional devices	**381,799**	**72.5%**	233,398	69.9%	63.6%
Peripheral-vascular interventional devices	**144,653**	**27.5%**	100,692	30.1%	43.7%
Total	**526,452**	**100.0%**	334,090	100.0%	57.6%

The following table sets forth a breakdown of our revenue by geographic regions:

Revenue	Year ended December 31, 2023 RMB'000	Year ended December 31, 2023 Proportion	Year ended December 31, 2022 RMB'000	Year ended December 31, 2022 Proportion	Year to year change %
The PRC	**513,482**	**97.3%**	326,294	97.7%	57.4%
Others	**14,272**	**2.7%**	7,796	2.3%	83.1%
Total	**527,754**	**100.0%**	334,090	100.0%	58.0%

Cost of Sales

Our cost of sales primarily consists of raw materials and consumables used, employee benefits expenses, depreciation of right-of-use assets, depreciation of property, plant and equipment, utilities expenses and office expenses.

The Group's cost of sales for the year ended December 31, 2023 was RMB142.8 million, representing an increase of 75.3% as compared to RMB81.4 million for the year ended December 31, 2022. The increase was primarily attributable to (i) an increase in raw materials and consumables used for sales of our products during the Reporting Period, which was in line with the increased penetration of our commercialized of our marketed products since December 31, 2022; and (ii) an increase in employee benefits expenses as a result of an increase in the number of our employees for expanded production and operation.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 52.4% from RMB252.7 million for the year ended December 31, 2022 to RMB385.0 million for the year ended December 31, 2023. The gross profit margin of the Group decreased slightly from 75.6% for the year ended December 31, 2022 to 72.9% for the year ended December 31, 2023, because (i) some products began to be enrolled in the VBP; and (ii) for some other products, we strategically lowered their prices to gain greater market shares in anticipation of the potential VBP.

R&D Expenses

The Group's R&D expenses for the year ended December 31, 2023 was RMB261.0 million, representing an increase of 11.8% as compared to RMB233.5 million for the year ended December 31, 2022. The increase was primarily attributable to an increase in testing, clinical trial and professional services fees from RMB57.0 million for the year ended December 31, 2022 to RMB99.8 million for 2023 due to advances of the R&D projects. Such an increase was partially offset by a decrease in employee benefits expenses from RMB130.2 million for 2022 to RMB109.8 million for 2023, which was mainly caused by a decrease in share-based compensation for our R&D personnel.

	Year ended December 31, 2023		Year ended December 31, 2022		Year to year change
R&D Expenses	***RMB'000***	***Proportion***	*RMB'000*	*Proportion*	*%*
Employee benefit expenses	**109,769**	**42.1%**	130,191	55.8%	-15.7%
Testing, clinical trial and professional services fees for R&D	**99,815**	**38.2%**	57,044	24.4%	75.0 %
Raw materials and consumables used	**32,587**	**12.5%**	31,594	13.5%	3.1%
Others	**18,842**	**7.2%**	14,632	6.3%	28.8%
Total	**261,013**	**100.0%**	233,461	100.0%	11.8%

Selling and Distribution Expenses

The Group's selling and distribution expenses for the year ended December 31, 2023 was RMB163.8 million, representing an increase of 16.9% as compared to RMB140.1 million for the year ended December 31, 2022. Such increase was primarily due to increased employee benefits expenses and sales and marketing expenses as a result of the expansion of sales scale and the increase in the number of launched products. The selling and distribution expenses as a percentage of overall revenue decreased from 41.9% for the year ended December 31, 2022 to 31.0% for the Reporting Period. Such decrease was primarily attributable to (i) continuous improvement and strengthening of the sales and marketing team and sales network; (ii) increased clinical recognition of product quality, which made our commercial promotion more efficient; and (iii) a more comprehensive product portfolio, which enhanced the efficiency of sales efforts.

Administrative Expenses

The Group's administrative expenses for the year ended December 31, 2023 was RMB114.1 million, which remained relatively stable as compared to RMB109.3 million for the year ended December 31, 2022. The administrative expenses as a percentage of total revenue decreased significantly to 21.6% for the Reporting Period from 32.7% for the year ended December 31, 2022, which was mainly attributable to the improvements in administrative procedures and investments in IT systems, leading to increased management efficiency.

Other Expenses

The Group's other expenses for the year ended December 31, 2023 was RMB1.6 million, representing an increase of 19.4% as compared to RMB1.3 million for the year ended December 31, 2022. The increase was primarily attributable to the increased energy consumption expenses.

Other Income

The Group's other income for the year ended December 31, 2023 was RMB14.9 million, representing an increase of 22.1% as compared to RMB12.2 million for the year ended December 31, 2022, primarily attributable to an increase in government grants in 2023.

Other (losses)/gains — net

The Group recorded other net losses for the Reporting Period of RMB15.8 million and other net gains of RMB11.1 million for the year ended December 31, 2022. Such change was primarily due to the foreign exchange differences, which we recorded foreign exchange losses in 2023 and foreign exchange gains in 2022.

Finance Income — net

The Group's finance income — net for the year ended December 31, 2023 was RMB77.8 million, representing a slight decrease from RMB94.8 million for the year ended December 31, 2022, primarily attributable to a decrease in bank interest income in 2023.

Income Tax Expense

The Group did not incur income tax expense for the years ended December 31, 2022 and 2023.

Non-IFRS Measures

To supplement our consolidated statement of comprehensive income which are presented in accordance with IFRS, we also use adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures facilitates a comparison of our operating performance from period to period by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance.

From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows its reconciliation to loss for the years indicated:

	Year ended December 31, 2023 *RMB'000*	Year ended December 31, 2022 *RMB'000*
Loss for the year	**(78,734)**	(113,555)
Add:		
Share-based compensation[(1)]	**85,767**	87,678
Non-IFRS adjusted net profit/(loss) for the year	**7,033**	(25,877)

Notes:

(1) Share-based compensation is non-operational expenses arising from granting shares through the Employee Incentive Scheme, H Share Scheme and Pre-IPO Share Option Scheme to eligible employees of the Group, the amount of which may not directly correlate with the underlying performance of our business operations.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth, safeguard its normal operations and maximize shareholders' value. The Group reviews and manages its capital structure on a regular basis, and makes timely adjustments to it in light of changes in economic conditions.

Liquidity and Financial Resources

The total available financial resources, including cash and cash equivalents, term deposits and financial assets measured at fair value decreased from RMB2,693.1 million as at December 31, 2022 to RMB2,577.1 million as at December 31, 2023. The Group's cash and cash equivalents as at December 31, 2023 were RMB1,086.6 million, representing a decrease of 9.9% as compared to RMB1,205.3 million as at December 31, 2022. The cash and cash equivalents were denominated in RMB, USD, HKD and Euro. Term deposits as at December 31, 2023 were RMB1,388.4 million as compared to RMB1,334.2 million as at December 31, 2022. Financial assets measured at fair value were RMB102.1 million as at December 31, 2023 as compared to RMB153.6 million as at December 31, 2022. The management is confident that the Group's financial resources are sufficient for our daily operations.

We rely on capital contributions by our shareholders as the major sources of liquidity. We also generate cash from our sales revenue of existing commercialized products. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of commercialized products and by launching new products, as a result of the broader market acceptance of our commercialized products and our continued efforts in marketing and expansion, improving cost control and operating efficiency and accelerating the turnover of trade receivables by tightening our credit policy.

Borrowings and Gearing Ratio

The Group's borrowings as at December 31, 2023 was RMB50.0 million, and as at December 31, 2022, the Group did not have any borrowings.

In June and July of 2023, the Group entered into loan agreements with a total amount of RMB50.0 million and all the amounts were drawn down. The interest will be paid monthly at a rate of 3.05% per annum. Certain self-developed patents of the Group have been pledged as collateral under loan agreements.

The gearing ratio (calculated by dividing the sum of borrowings and lease liabilities by total equity) of the Group increased from 0.45% as at December 31, 2022 to 1.83% as at December 31, 2023.

Net Current Assets

The Group's net current assets, as at December 31, 2023 were RMB1,399.4 million, representing a decrease of 26.8% as compared to net current assets of RMB1,910.5 million as at December 31, 2022, primarily due to the decrease of cash and cash equivalents and term deposits.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our bank balances, other receivables, other financial assets, other payables and other financial liabilities are dominated in foreign currencies and are exposed to foreign currency risk. Our management monitors foreign exchange exposures and consider appropriate hedging measures when the need arises.

Pledge of Shares

We did not have any pledging of shares by our Single Largest Group of Shareholders as at December 31, 2023.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2023, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the year ended December 31, 2023, the Group's total capital expenditure amounted to approximately RMB190.9 million, which was mainly used in the purchase of property, plant and equipment and intangible assets.

Charge on Assets

As at December 31, 2023, there was no charge on assets of the Group.

Contingent Liabilities

As at December 31, 2023, we did not have any material contingent liabilities.

Employees and Remuneration Policies

As at December 31, 2023, we had 765 employees in total (December 31, 2022: 715).

In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three years.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, projects and stock incentive plans to our employees especially key employees.

Future Investment Plans and Expected Funding

The Group will continue to expand its markets in the PRC and globally in order to tap its internal potential and maximize shareholders' interest. The Group will continue to grow through self-development, mergers and acquisitions, and other means. We will use diversified financing channels to finance capital expenditures, including but not limit to internal funds and bank loans. As at December 31, 2023, the capital commitments of the Group for property, plant and equipment and investment in venture fund were RMB100.6 million and RMB144.6 million respectively as compared to RMB25.5 million and RMB9.4 million respectively as at December 31, 2022. Save as disclosed, the Group has no other future commitment for material investments or capital assets as at December 31, 2023.

III. PROSPECTS

We plan to implement the following strategies to achieve our mission and vision:

- **Continue to increase our market share by capitalizing on our comprehensive product offering and strong commercialization capability**

  With the ongoing adoption of our high-quality products by physicians and hospitals, we are confident in our ability to further expand our market share in the neurovascular and peripheral vascular interventional devices industry. We have established a robust track record of commercialization and distribution in China, evidenced by a 72.2% annualized growth rate in overall revenue between 2021 and 2023. Leveraging our strong commercialization and distribution network, we will continue to effectively launch innovative products.

- **Continue to expand our product offering and accelerate innovation tailored to clinical needs**

  We have successfully launched a few innovative products with unique features to better accommodate unmet clinical needs, including Thrombite Clot Retriever Device (CRD) and ZYLOX Penguin Peripheral Venous Stent System. Leveraging our internal R&D capabilities, we are dedicated to ongoing investment in innovation. The commitment allows us to respond swiftly to the evolving clinical needs and develop innovative products with superior clinical performance.

- **Continue to improve our operational efficiency and profitability**

  The evolving industry dynamics, including the implementation of VBPs and reimbursement under Diagnosis-Related Groups (DRGs), present new challenges for medical device companies. To address these challenges, we will continue to leverage our in-house R&D technology platforms, manufacturing expertise and knowhow, and efficient sales and marketing network, to accelerate commercialization efforts and ultimately improve overall profitability.

- **Continue to invest in international markets**

  In overseas markets, we have taken significant strides in commercialization and registration, and we are committed to continuing these efforts. We are expanding our European team to bolster sales in European countries and intensifying our registration efforts in various regions, including South America and the Pan-Asian regions. Additionally, we will enhance partnerships with local physicians and distributors and explore new business cooperation models to further strengthen our presence and growth in these markets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on June 6, 2023, the Directors were granted a general mandate to exercise the power to repurchase up to 32,461,974 H Shares, representing 10% of the total number of H Shares in issue as at June 6, 2023 (the "**Repurchase Mandate**"). During the Reporting Period, pursuant to the Repurchase Mandate, the Company bought back an aggregate of 2,111,000 H Shares on the Stock Exchange (the "**Repurchased Shares**") at a total consideration of approximately HK$25,053,910, exclusive of commissions and other expenses.

Details of the Repurchased Shares are as follows:

Month of buy-back	Number of Shares bought back	Consideration per Share		Total consideration paid for the buy-back
		Highest price paid	Lowest price paid	
		HK$	*HK$*	*(appro.) HK$*
November 2023	1,203,000	12.44	10.94	13,744,910
December 2023	908,000	13.40	11.76	11,309,000
Total	**2,111,000**			**25,053,910**

The Board believes that the share repurchases demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders.

As at the date of this announcement, the Repurchased Shares have not been cancelled and the balance of the issued shares of the Company was 324,619,744 H Shares and 7,781,257 Domestic Shares.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as its own code of corporate governance practices. The Board is of the view that during the Reporting Period, the Company has applied the principles of good corporate governance and complied with all the applicable code provisions set out in Part 2 of the CG Code, save for the deviation for reasons set out below.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Up to the date of this announcement, the roles of chairman and chief executive officer were performed by Dr. Jonathon Zhong Zhao, which may be inconsistent with code provision C.2.1. Nevertheless, the Board considers that this arrangement is proper and beneficial to the Group as the stability and efficiency of the Company's operations, as well as the continuity of the Company's policies and strategies, can be maintained. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing another individual as the chief executive officer when it thinks appropriate.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the then applicable Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the then applicable Model Code by the senior management of the Group during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

In March 2024, the Company has entered into a series of licensing and investment agreements with Avinger Inc., an innovative medical device company. Based on the agreements, the Company will invest US$15.0 million in two tranches with US$7.5 million in each tranche, subject to the achievement of certain milestones and satisfaction of other closing conditions, by subscribing newly issued common shares and preferred shares of investee. For details, please refer to "Business Highlights" in this announcement and the voluntary announcement of the Company dated March 7, 2024.

Save as disclosed above, no other event has taken place subsequent to December 31, 2023 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

REVIEW OF ANNUAL RESULTS

The Audit Committee has three members comprising all independent non-executive Directors, being Ms. Yun Qiu (chairman of the Audit Committee), Dr. Jian Ji and Mr. Hongze Liang, with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. The Audit Committee has reviewed the annual financial results for the year ended December 31, 2023 and considers that the annual financial results are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF THE COMPANY'S AUDITORS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2023 (2022: Nil).

2023 AGM

An announcement containing information in relation to the latest registration date and the period of closure of register for attending 2023 AGM will be published separately when the date of 2023 AGM is fixed.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.zyloxtb.com).

The annual report of the Company for the year ended December 31, 2023 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"BGC"	balloon guiding catheter, a large lumen catheter with a compliance balloon at the distal tip of the catheter. Intending to facilitate the insertion and guidance of an intravascular catheter
"Board"	the board of Directors
"CE Mark"	a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area
"CG Code"	the "Corporate Governance Code" as contained in Appendix 14 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C1 to the Listing Rules with effect from 31 December 2023)
"CODM"	chief operating decision-maker

"Company"	Zylox-Tonbridge Medical Technology Co., Ltd. (歸創通橋醫療科技股份有限公司), a limited liability company incorporated in the PRC on November 6, 2012 and converted into a joint stock limited liability company incorporated in the PRC on March 2, 2021, whose predecessor was Zhejiang Zylox Medical Device Co., Ltd. (浙江歸創醫療器械有限公司) and the H Shares of which are listed on the Stock Exchange (stock code: 2190)
"CRD"	clot retriever device, a minimally invasive device to capture and remove the clot blocking blood vessels to treat neurovascular diseases such as acute ischemic stroke
"DCB"	drug-coated balloon, angioplasty balloons (usually semi-compliant) coated with a cytotoxic chemotherapeutic agent
"Director(s)"	the director(s) of the Company or any one of them
"DRG"	diagnosis-related group, a case-mix system to categorize patients with similar clinical diagnoses in order to better control hospital costs and determine payor reimbursement rates
"DVT"	deep vain thrombosis occurring when a blood clot forms in one or more of the deep veins in the body, usually in the leg
"Employee Incentive Schemes"	the employee incentive schemes of the Company approved and adopted by the Board on July 15, 2016, February 24, 2017, June 17, 2020, and January 18, 2021 respectively
"Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Scheme"	the 2021 H Share award and trust scheme adopted by the Company on September 23, 2021
"HKD" or "HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"ischemic stroke"	a stroke caused by a blockage in an artery that supplies blood to the brain
"ISR"	in-stent restenosis
"IVC"	inferior vena cava, a large vein that carries the deoxygenated blood from the lower and middle body into the right atrium of the heart
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the main board of the Stock Exchange
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" as contained in Appendix 10 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C3 to the Listing Rules with effect from 31 December 2023)
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"OCT"	optical coherence tomography
"PRC" or "China"	the People's Republic of China, which for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"PTA"	percutaneous transluminal angioplasty, a percutaneous interventional procedure that can open up blocked peripheral arteries using a catheter with a balloon at the end of it, allowing blood to circulate unobstructed
"R&D"	research and development

"Reporting Period"	the year ended December 31, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Shares
"Single Largest Group of Shareholders"	refers to Dr. Jonathon Zhong Zhao (趙中), Dr. Shengping Sam Zhong (鍾生平), Dr. Zheng Li (李崢), Ms. Na Wei (衛娜), Zhuhai Tongqiao Investment Center (Limited Partnership) (珠海通橋投資中心(有限合夥)), Hangzhou Fujiang Investment Partnership (Limited Partnership) (杭州涪江投資合夥企業(有限合夥)), Zhuhai Guichuang Equity Investment Center (Limited Partnership) (珠海歸創股權投資中心(有限合夥)), Ningbo Guiqiao Enterprise Management Partnership (Limited Partnership) 寧波歸橋企業管理合夥企業(有限合夥) (formerly known as Huzhou Guiqiao Enterprise Management Partnership (Limited Partnership) (湖州歸橋企業管理合夥企業(有限合夥)), WEA Enterprises, LLC and Huzhou Yuyihui Investment Partnership (Limited Partnership) (湖州語意慧投資合夥企業(有限合夥) (formerly known as Nanjing Yuyihui Investment Partnership (Limited Partnership) (南京語意慧投資合夥企業(有限合夥)))
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"USD"	United States dollars, the lawful currency of the United States
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"VBP"	volume-based procurement, a program that enables local governments to procure medical devices in high volume and at low cost, thereby driving down medical expenses for patients
"%"	percent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

By order of the Board
Zylox-Tonbridge Medical Technology Co., Ltd.
Dr. Jonathon Zhong Zhao
Chairman and Executive Director

Hong Kong, March 21, 2024

As of the date of this announcement, the Board comprises Dr. Jonathon Zhong Zhao, Mr. Yang Xie and Dr. Zheng Li as executive Directors, Mr. Stephen Hui Wang, Dr. Steven Dasong Wang and Mr. Dongfang Li as non-executive Directors, and Dr. Jian Ji, Mr. Hongze Liang and Ms. Yun Qiu as independent non-executive Directors.